

CONFIDENTIALMEMORANDUM

10 October 1950

TO : Deputy Chief, Special Support Staff

FROM : Finance Division

SUBJECT: Per Diem and Travel Expenses of New Employees

1. In accordance with your request we have made a study of the present practices and procedures with respect to payment of per diem to new employees. Based upon this study it is recommended that immediate consideration be given to material reduction in the number and amount of per diem payments to employees in a temporary duty status in the U. S. The basis for this recommendation is the greatly increased recruitment program which has necessitated "pool" employment in order to meet minimum personnel requirements. Present regulations and procedures, carefully designed to meet existing and foreseeable conditions at the time of issuance, provide for appropriate adjustment in individual cases. However, the current volume of business and various circumstances gives rise to many interpretations and determinations which do not appear to be within the spirit of Agency policy.

2. Both from the standpoint of exercising delegated authority to issue travel orders, and in administering the Finance regulations, it has been necessary to restrict individual per diem payments in numbers and amounts which appear to warrant the recommended general downward revision. In our opinion the problem is twofold; one, the increased volume of cases, and consequent increase in numbers of individuals who must recommend such payments, adversely affects uniform application of present flexible regulations, and; two, the normal rate of payment appears to be excessive under circumstances which may be peculiar to this Agency.

3. The principal problem is with the proper payment of new employees who are engaged for initial assignment abroad after a period of training in Washington. Under present procedures, the maximum (and normal, except under special circumstances) per diem payments to employees under these circumstances are as follows:

<u>Without Dependents</u>	<u>With Dependents</u>
30 days @ \$9.00 = \$270	60 days @ \$9.00 = \$540
90 " @ \$4.50 = \$405	60 " @ \$6.00 = \$360
60 " @ \$1.50 = \$90	60 " @ \$3.00 = \$180
<u>\$765</u>	<u>\$1080</u>

4. There is no doubt that per diem payments under such circumstances are intended to reflect increased cost of living as a result of the conditions of employment. Therefore, we believe that currently available facilities in Washington should be taken into consideration in the establishment of reduced maximum

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per diem rates. We believe present conditions indicate three categories of personnel; those with no dependents, those with one dependent (normally spouse), and those with several dependents. Without regard to the desired standard of living, it appears that reasonable accommodations are readily available to single personnel and couples. Minimum acceptable accommodations for families are more difficult to find, especially if such accommodations must be taken on a short term or indefinite basis. For this reason we believe that the categories of personnel eligible for per diem payments should be expanded to:

- (a) Employees without dependents
- (b) Employees with one dependent
- (c) Employees with two or more dependents

5. In our opinion the average length of stay in Washington for new employees also warrants consideration of reduction in the maximum rate of per diem. We believe the following rates and schedules would provide for equitable benefits and administration.

<u>Schedule A</u> <u>Without Dependents</u>	<u>Schedule B</u> <u>One Dependent</u>	<u>Schedule C</u> <u>Two or More Dependents</u>
30 days @ \$3.00	30 days @ \$6.00	30 days @ \$9.00
30 days @ \$2.00	30 days @ \$4.00	30 days @ \$6.00
120 days @ \$1.00	120 days @ \$2.00	120 days @ \$3.00
<u>\$270</u>	<u>\$510</u>	<u>\$610</u>

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6. Under the above proposed rates of payment, total maximum payments would be considerably reduced. However, we believe that further action is warranted concerning the determination as to the categories of employees eligible for payment. At this time we recognize four categories. They are:

- (a) Employed directly for specific field assignment.

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- (c) Employed for general field assignment.

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7. The circumstances surrounding volume recruitment are often such that it is extremely difficult to distinguish (for purpose of allowances) between

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those employed for the field, [REDACTED] Accordingly, we recommend that each record of employment include a positive statement by the recruiting officer, the Chief, Employees Division, and an Operations official, if appropriate, with respect to the terms of employment. In our opinion all individuals who do not obviously fall within categories (a) and (b) of paragraph 6 above, and who qualify their employment in any way with respect to areas and time of assignment, must be classed in category (d). Category (c) should be comprised only of individuals who agree to serve at any assigned post and under any conditions. There should be positive intent on the part of recruitment officials to assign category (c) employees to field stations at entrance upon duty or shortly thereafter. In event of doubt or in event of limitations established by the employee, he should in all cases be classed in category (d).

8. At the time of employment there should be an understanding with each individual with respect to the payment of travel expenses and per diem. Category (a) should be advised that travel expenses (if outside metropolitan area) and per diem will be paid in accordance with Agency regulations. Category (b) should be advised that no travel expenses or per diem will be paid at such headquarters. Category (c) should be comprised only of those individuals who agree to serve abroad without qualifications, and where it is the intent of Agency officials to assign such employees to specific foreign field stations at an early date. There should be no expectation that the individual might be assigned departmentally. Under these circumstances the individual should be advised that allowable travel expenses and per diem will be paid. Category (d) may be comprised of individuals who limit the area or time of service abroad, or who agree to employment departmentally or abroad, dependent upon available positions and prevailing circumstances; therefore, in consideration of such conditions no travel expense or per diem should be paid. The individuals should be advised that in event of subsequent field assignment he will not be entitled to travel expenses and per diem since he has waived claim thereto by accepting this category of employment. When an individual agrees to employment under category (d), he should be advised that he must place himself at headquarters at his own expense and that no per diem payments will be made unless and until he commences actual travel under subsequent orders.

9. A secondary problem in the payment of per diem and travel expenses is the possibility of necessary refund from categories (a) and (c) in the event that the proposed foreign field assignment is not consummated. Under such circumstances, if the action is by or at the request of the employee, he must refund all travel and per diem expenses. However, if action is by the Agency and beyond control by the individual, refund is not required and return travel expense to place of employment should be provided. Final determination as to source of action should rest with designated Agency officials.

10. If the above recommendations are adopted, it is recommended that adjusted payments be automatic as a result of increase or decrease in dependents.

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11. The above should apply only to new employees. Those on TDY in connection with special assignment, home leave, or consultation, should be paid in accordance with Schedule (c) without regard to other considerations.

12. Exceptions to the above procedures should be only upon approval of the Executive, CIA.

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Deputy Chief, Finance Division

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